

MOTION FOR PROTECTIVE ORDER

TO THE HONORABLE COURT:

Plaintiff, Monitronics International, Inc. ("Monitronics"), seeks protection from the subpoena served upon it by Security Alarm Financing Enterprises, L.P., ("SAFE") a California Corporation, and, in support of such relief, would respectfully show the Court as follows:

PARTIES AND SERVICE

- Monitronics is a Texas corporation with its principal place of business in Dallas,
 Dallas County, Texas.
- 2. Upon information and belief, SAFE is a California corporation, with its principal place of business in San Ramon, California.
- 3. Upon information and belief, Central Security of North LA, L.L.C. (hereinafter "Central Security") is a Louisiana corporation, with its principal place of business in Farmerville, Louisiana.
 - 4. SAFE has filed suit in the Western District of Louisiana against Central Security of

North LA, L.L.C. (hereinafter the "Louisiana Proceeding"). Pursuant to F.R.C.P. 45, the federal district court for the Northern District of Texas, Dallas Division, issued a subpoena upon the custodian of records for Monitronics. A true and correct copy of the subpoena is attached hereto as Exhibit "A". When a non-party from whom discovery is sought is served with discovery requests pursuant to a subpoena, that party is entitled to seek a protective order as provided in F.R.C.P. 45(c)(2 &3). When a protective order is sought as applied for herein, service may be effectuated pursuant to F.R.C.P. 5(b), which permits service upon a party's attorney in person, leaving a copy at the attorney's office with a clerk or other person in charge, or by mailing a copy to the last known address of the person served. Service has been effectuated as to this Motion as reflected in the certificate of service contained at the conclusion of this Motion.

JURISDICTION AND VENUE

5. This Court has subject matter jurisdiction and venue over this matter pursuant to F.R.C.P. 45(c)(3)(A), which provides that on timely motion, the court by which a subpoena was issued is authorized to quash or modify the subpoena.¹ As the subpoena in controversy was issued to Monitronics through the Northern District of Texas, jurisdiction and venue properly rest in this Court.

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Background

6. Monitronics is in the business of providing security services to various residential and business customers ("Subscribers") throughout the United States. One method of obtaining such

[&]quot;Any motion to quash or modify a subpoena, . . . is decided by the issuing court, not the court before which the underlying action is pending." *Houston Bus. Journal, Inc. v. Office of Comptroller*, 86 F.3d 1208, 1212 (D.C. Cir. 1996)

customers involves Monitronics entering into contractual relationships with various independent entities ("Dealers"), which sell and install alarm monitoring systems and establish alarm monitoring contractual relationships with the owners of those systems. By entering into contractual arrangements with these Dealers, Monitronics is contractually granted a right of first refusal to purchase the right to monitor the security systems of those customers, and if purchased, to collect and bill upon the revenue stream generated from the monthly monitoring fees associated with the term of the monitoring contract with the Subscriber. The monitoring contracts typically entered into with Subscribers are for a stated term, while the amount paid to the Dealers for those contracts is typically in amounts substantially greater than the sum to be paid over the remaining term of the contracts being acquired. One of the Dealers with whom Monitronics entered into such a contractual relationship was Central Security. As such, Monitronics purchased certain accounts from Central Security pursuant to an Alarm Monitoring Purchase Agreement ("AMPA").

7. The Louisiana Proceeding is a case involving allegations that Central Security and Central Cellular, its alleged predecessor or affiliated company, defrauded creditors by transferring substantial business assets from Central Cellular to Central Security, misappropriated trade secrets of SAFE enabling Central Security to solicit customer accounts purchased by SAFE, and that Central Security sold alarm monitoring accounts in violation of various SAFE financial, security, and/or contractual interests, including the sale of some of those accounts to Monitronics. Central Security has denied any and all of the allegations made by SAFE. In its subpoena directed to Monitronics, SAFE seeks to obtain substantial and wide-ranging documentation relating to the various transactions between Monitronics and Central Security, wherein Monitronics purchased and had assigned to it various subscriber monitoring contracts previously held by Central Security.

- 8. As early as May of 2005, SAFE notified Monitronics of possible issues surrounding accounts sold by Central Security to Monitronics, as well as accounts being monitored by Monitronics on behalf of Central Security. SAFE issued subpoenas directed to Monitronics in both June of 2006 and September of 2006. Both of those subpoenas were ultimately withdrawn, due to on-going disputes between SAFE and Central Security as to what documents, if any, Monitronics was to produce and the purpose for which SAFE intended to use the requested documents and information, as well as issues surrounding bankruptcy stays, and other issues amongst the primary parties to the Louisiana Proceeding.
- 9. SAFE directed its third subpoena to Monitronics, the subpoena at issue herein, on February 9, 2007. Due to the above-referenced on-going disputes, SAFE granted Monitronics several extensions of the subpoena response date, the last extension requiring Monitronics to comply by April 30, 2007. Monitronics has participated in substantial negotiations with both SAFE and Central Security in an attempt to narrow the scope of the subpoena, as well as to determine the uses intended for the subpoenaed documents and information. The negotiations have been unsuccessful, specifically as to the scope of the documents and information sought, the ability of SAFE to come back and request that Monitronics produce additional documents and information under the February 9th subpoena, and the provisions of the protective order related to these same issues. Despite these efforts, neither Monitronics, SAFE, nor Central Security have been able to reach an agreement as to the protective order sought herein.

Argument

10. Pursuant to F.R.C.P. 45(c)(3)(B), if a subpoena requires disclosure of trade secrets or other confidential research, development, or commercial information, or requires a person who

is not a party to incur substantial expense, the court may, to protect a person subject to such subpoena, quash or modify the subpoena. Moreover, "under [F.R.C.P.] 45(d), a nonparty subpoenaed for testimony and production of documents may move for a protective order under [F.R.C.P.] 26(c)."²

- 11. The subpoena served on Monitronics essentially requests Monitronics to produce, by way of example, (1) documents related to the purchase of Alarm Monitoring Contracts or similar agreements for the provision of alarm services from Central Security, including its principals and affiliates ("hereinafter referred to as "purchased accounts"), and (2) documents related to the monitoring of electronic alarm systems on behalf of customers/subscribers of Central Security, including its principals or affiliates (hereinafter referred to as "contract monitored accounts"). The documentation and information related to contract monitored accounts requests information concerning accounts that Monitronics does not own, but which are, in fact, owned by Central Security. Such information raises the privacy concerns of Central Security which entrusted Monitronics with its customers' account and security system information, as well as Central Security's customers who provided such information to Central Security in the confidence that such information would be protected.
- 12. The documentation requested by SAFE also contains highly proprietary and confidential information related to Monitronics' business. Monitronics believes such information is sensitive not only to its continued operations, but to the privacy concerns of the customers which have entrusted Monitronics with sensitive account information, not to mention the operational aspects of the customers' security systems. Third parties' privacy rights in confidential, private

² See e.g. Micro Motion, Inc. v. Kane Steel Co., 894 F.2d 1318, 1322-23 (Fed. Cir. 1990).

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financial information and operational details of individual security systems should be preserved, and should only be released where absolutely essential to the claims, and then only with assurances of confidentiality. For example, SAFE demands that Monitronics produce specified alarm monitoring contracts and all documents related to these accounts. These documents contain customer names, addresses, and phone numbers, as well as sensitive and private information such as payment history, direct payment authorizations, and account passwords.

13. Further, complying with this subpoena would require Monitronics to divulge its confidential and proprietary business information, trade secrets, and/or strategies, which enable it to successfully compete against its competitors, including SAFE, Central Security and other third parties. Such information should not be released except where absolutely essential to claims and then only with adequate assurance that such information will not be used against Monitronics in the marketplace. Without further protection orders from this Court, Monitronics should not be required to produce any of the requested documents because the need for protecting Monitronics' confidential information, third parties' information, and the information of Central Security far outweigh any relevance that such information would have to the litigation.

CONCLUSION

14. As a result, Monitronics respectfully requests that this Court grant this Motion for Protection, granting protection from and limiting the discovery sought by SAFE pursuant to the subpoena referenced above, as well as entry of the attached protective order.

PRAYER

WHEREFORE, PREMISES CONSIDERED, Monitronics requests that Monitronics' motion for protective order be sustained, that compliance be limited accordingly, and for such other and

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further relief, whether general or special, at law or in equity, to which Monitronics shows itself justly entitled to receive.

Respectfully submitted,

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ATTORNEYS FOR PLAINTIFF, MONITRONICS INTERNATIONAL, INC.

CERTIFICATE OF CONFERENCE

This is to certify I conferred with counsels for SAFE and counsels for Central Security on March 28, 2007 and April 19, 2007 regarding the matters made the basis of this Motion and the relief requested herein, and no agreement could be reached as to the scope of the subpoena nor the provisions of the protective order requested herein.

Margaret J. Carlson

CERTIFICATE OF SERVICE

This is to certify that on the day of April, 2007, a true and correct copy of the foregoing instrument was served via certified mail, return receipt requested to the following: W. Michael Adams, Blanchard, Walker, O'Quin & Roberts, 1400 Chase Tower, 400 Texas St., Shreveport, Louisiana 71101; Kurt E. Kramer, Klenibard, Bell & Brecker, L.L.P.,1900 Market Street, Suite 700, Philadelphia, PA 19103; George M. Snellings, IV, Nelson, Zentner, Sartor, & Snellings, L.L.C., 1507 Royal Ave., P.O. Box 14420, Monroe, LA 71207-4420; Michael DuBos Breighaupt, Dunn, DuBos, Shasts, Wolleson, 1800 Hudson Lane, Community Trust Bank, Suite 200A, Monroe, LA 71201.

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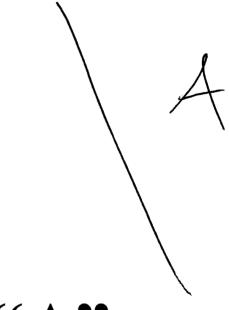


EXHIBIT "A"

UNITED STATES DISTRICT COURT NORTHERN DISTRICT OF TEXAS DALLAS DIVISION

SUBPOENA TO PRODUCE DOCUMENTS OR THINGS

SECURITY ALARM FINANCING

ENTERPRISES, L.P.

VERSUS

CENTRAL SECURITY OF NORTH-LA,

L.L.C., ET AL

CIVIL ACTION NO. 06-713

WESTERN DISTRICT OF LOUISIANA

JUDGE JAMES

MAGISTRATE JUDGE HAYES

TO: Monitronics International, Inc.

2350 Valley View Ln Dallas, TX 75234

YOU ARE HEREBY COMMANDED to produce the documents or things described below at the place, date and time specified below.

PLACE: Blanchard, Walker, O'Quin & Roberts

Suite 1400, Chase Tower

Shreveport, Louisiana 71101

DATE AND TIME: 10:00 A.M.,

March 2, 2007

DOCUMENTS OR THINGS TO BE PRODUCED are described on Exhibit A, attached hereto and made a part hereof. Definitions applicable to the documents to be produced in response to this subpoena are set forth on Exhibit B, attached hereto and made a part hereof.

Questions relative to this subpoena may be addressed to:

Attorney

:W. Michael Adams

Address

:Blanchard, Walker, O'Quin & Roberts

:P. O. Drawer 1126

:Shreveport, Louisiana 71163 - 1126

Telephone

:(318) 221-6858

UNITED STATES DISTRICT COURT WESTERN DISTRICT OF LOUISIANA

By:

(Attorney or Clerk of Court)

(OVER)

EXHIBIT A

DOCUMENTS OR THINGS TO BE PRODUCED:

- 1. The purchase of Alarm Monitoring Contracts or similar agreements for the provision of alarm services from Jayne Green.
- 2. The purchase of Alarm Monitoring Contracts or similar agreements for the provision of alarm services from Chad Burford.
- 3. The purchase of Alarm Monitoring Contracts or similar agreements for the provision of alarm services from Central Security of North La, LLC.
- 4. The purchase of Alarm Monitoring Contracts or similar agreements for the provision of alarm services from Central Cellular, Inc.
- 5. The purchase of Alarm Monitoring Contracts or similar agreements for the provision of alarm services from Robert Green.
- 6. The monitoring of electronic alarm systems on behalf of customers/subscribers of Chad Burford.
- 7. The monitoring of electronic alarm systems on behalf of customers/subscribers of Central Security of North La, LLC.
- 8. The monitoring of electronic alarm systems on behalf of customers/subscribers of Central Cellular, Inc.
- 9. The monitoring of electronic alarm systems on behalf of customers/subscribers of Jayne Green.
- 10. The monitoring of electronic alarm systems on behalf of customers/subscribers of Robert Green.

In lieu of delivery of actual contracts, a summary of contracts purchased or customer/subscriber accounts monitored (if any) with subscriber names, addresses, date of contracts and monthly monitoring rate may be provided.

STATE OF TEXAS

COUNTY OF DALLAS

Before me, the unde	rsigned	authority,	personally	came	and	appeared
	, who	o, after bein	g duly sworn,	did dep	ose and	d state that
he/she is the Custodian of the recor	ds of Mon	itronics Inte	rnational, Inc	. ("Moni	tronics	") and that
the attached pages that have been	numbere	ed	through _		, ar	e true and
exact copies of all documents response	onsive to t	his Subpoen	a in possessio	on of Mo	nitroni	cs existing
to date in the usual and regular of	order of b	usiness of N	Monitronics,	such rec	ords da	ating from
through		on this t	he day	of		, 2007.
		_	RECORL	S CUST	ΓΟDΙΑ	.N
SWORN TO AND SUBSC	RIBEDE	BEFORE ME	E, the undersig	gned Not	ary Pul	olic, on this
the day of	_, 2007.					
	NOTA	RY PUBLI				

EXHIBIT B

The term "document" is intended to have the broadest possible meaning and is to include anything coming with the definition of "writings" and "recordings" set forth in Rule 1001(1) of the Federal Rules of Evidence, and shall include the original, and all nonidentical copies (whether different from the original because of additional notations or otherwise), of all written, printed, typed, recorded, or graphic matter, however produced or reproduced, in your actual or constructive possession, custody, or control, including, without limitation, all writings, drawings, graphs, charts, photographs, photographic records, sound reproduction tapes, computer records, electronic mail reocrds, data compilations (whether tangible or intangible, from which information can be obtained or can be translated through detection devices into a reasonably usable tangible form), correspondence, memoranda, data, notes, diaries, papers, letters, communications, telegraphs, messages of any kind, minutes of meetings, stenographic, typewritten or handwritten notes, studies, estimates, reports, instructions, requests, pamphlets, brochures, applications, returns, pictures, books, journals, ledgers, corporate records, accounts, contracts, leaflets, administrative or governmental reports or returns, exhibits, maps, surveys, sketches, microfilm, xerox or any other tangible things which constitute or contain matters within the scope of the Federal Rules of Civil Procedure. The term "document" includes any files in which any responsive documents are located.

The term "pertaining to" means commenting upon, including, concerning, containing, regarding, discussing, reflecting, relating to, relevant to, used in connection with, embodying or evidencing, and should be construed in the broadest sense of the term.

©JS 44 (Rev. 10/06) CIVIL COVER SHEET								
The JS 44 civil cover sheet a provided by local jules of local initiating the civil docket sh	at the information contained hert. This form, approved by the Jacet. (SEE INSTRUCTIONS ON T	erein neither replace nor Judicial Conference of the THE REVERSE OF THE FO	supplement the filing the United States in Sept DRM.)	and service of pleadings or other tember 1974, is required for the us	r papers as required by law, except as se of the Clerk of Court for the purpose			
I. (a) PLAINTIFFS		•	DEFENDA	ANTS 3 U 7	C 0 0 4 4 - M			
Monitronics International, Inc.		•	Security Ala	Security Alarm Financing Enterprises, L.P.				
• •	of First Listed Plaintiff EXCEPT IN U.S. PLAINTIFF CASE	es Palac		in Land Condemnation Casi	ASES ONLY)			
(c) Attorney's (Firm Name	e, Address, and Telephone Number)		Attorneys (If	Known)				
Benjamen S. Dyer; Culp, Dyer & Halpern LLP CLERK, U.S. DISTRICTWOMBRIAGE Adams; Blanchard, Walker, O'Quin, & Roberts 222 E. McKinney St., Suite 210, Denton, Texas								
II. BASIS OF JURISE	OICTION (Place an "X" in O	ne Box Only)	I. CITIZENSHI (For Diversity Cas		IES(Place an "X" in One Box for Plaintiff and One Box for Defendant)			
☐ 1 U.S. Government Plaintiff	3 Federal Question (U.S. Government No	ot a Party)	Citizen of This State	PTF DEF 1 1 Incorporated	PTF DEF l or Principal Place 2 4 1 4 In This State			
☐ 2 U.S. Government Defendant	☐ 4 Diversity (Indicate Citizenship)	of Parties in Item III)	Citizen of Another State	-	and Principal Place 5 5 5 5 5 5 5 5 5 5 5 5 5 5 5 5 5 5 5			
			Citizen or Subject of a Foreign Country	3 Soreign Nati	ion			
IV. NATURE OF SUI	T (Place an "X" in One Box Only) TORT		FORFEITURE/PENA	LTY BANKRUPTCY	OTHER STATUTES			
□ 110 Insurance □ 120 Marine □ 130 Miller Act □ 140 Negotiable Instrument □ 150 Recovery of Overpayment & Enforcement of Judgmen □ 151 Medicare Act □ 152 Recovery of Defaulted Student Loans (Excl. Veterans) □ 153 Recovery of Overpayment of Veteran's Benefits □ 160 Stockholders' Suits □ 190 Other Contract □ 195 Contract Product Liability □ 196 Franchise REAL PROPERTY □ 210 Land Condemnation □ 220 Foreclosure □ 230 Rent Lease & Ejectment □ 240 Torts to Land □ 245 Tort Product Liability □ 290 All Other Real Property	PERSONAL INJURY 310 Airplane 315 Airplane Product Liability 320 Assault, Libel & Slander 330 Federal Employers' Liability 340 Marine 345 Marine Product Liability 350 Motor Vehicle Product Liability 360 Other Personal Injury CIVIL RIGHTS 441 Voting 442 Employment 443 Housing/ Accommodations 444 Welfare 445 Amer. w/Disabilities -	PERSONAL INJURY 362 Personal Injury— Med. Malpractice 365 Personal Injury— Product Liability 368 Asbestos Personal Injury Product Liability PERSONAL PROPERTY 370 Other Fraud 371 Truth in Lending 380 Other Personal Property Damage Product Liability PRISONER PETITIONS 510 Motions to Vacate Sentence Habeas Corpus: 530 General 535 Death Penalty 540 Mandamus & Other 550 Civil Rights	610 Agriculture 620 Other Food & 1 625 Drug Related S of Property 21 U 630 Liquor Laws 640 R.R. & Truck 650 Airline Regs.	1 422 Appeal 28 USC 151 28 USC 157 28 USC 157 320 Copyrights 330 Patent 340 Trademark 361 HIA (1395ff) 362 Black Lung (923) 363 DIWC/DIWW (405 eporting et deporting et d	400 State Reapportionment 410 Antitrust 430 Banks and Banking 450 Commerce 460 Deportation 470 Racketeer Influenced and Corrupt Organizations 480 Consumer Credit 490 Cable/Sat TV 810 Selective Service 850 Securities/Commodities/Exchange 875 Customer Challenge 12 USC 3410 890 Other Statutory Actions 891 Agricultural Acts 892 Economic Stabilization Act 893 Environmental Matters 894 Energy Allocation Act 895 Freedom of Information Act 900 Appeal of Fee Determination Under Equal 'Access to Justice 950 Constitutionality of State Statutes			
29 l Original □ 2 F	State Court A	ppellate Court	4 Reinstated or Reopened		gation Judgment			
VI. CAUSE OF ACTION Brief description of cause: FRCP 26; Motion for Protective Order relating to subpoena on discovery								
VII. REQUESTED IN COMPLAINT:	CHECK IF THIS IS UNDER F.R.C.P. 2	S A CLASS ACTION 3	DEMAND \$	CHECK YES JURY DEMA	only if demanded in complaint: AND: TYes SNO			
VIII. RELATED CASE(S) PENDING OR CLOSED (See instructions): JUDGE Robert G. James DOCKET NUMBER 3:06CV713								
DATE SIGNATURE OF A TORNEY OF REGORD								
April 27, 2007 FOR OFFICE USE ONLY								